

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MONTANA**

In re

STEPHANIE LYNN PARROTTE,

Debtor.

Case No. **03-60043-13**

MEMORANDUM OF DECISION

At Butte in said District this 4th day of February, 2005.

In this Chapter 13 bankruptcy case, R. Clifton Caughron (“Applicant”), on behalf of his law firm and as Debtor’s attorney, filed on January 20, 2005, Debtor’s Application for Professional Fees and Costs (“Application”) and filed a Notice to all appropriate persons requesting an award of attorney’s fees in the amount of \$1,278.12 and costs in the amount of \$21.61 for a total of \$1,299.93. Applicant previously received \$1,050 (\$750 for fees and \$300 for court fees and costs) from a retainer and \$1,000 from the Chapter 13 trustee through the confirmed plan. In actuality, Applicant has billed \$3,028.12 for fees and \$321.61 for court fees and costs, from December 4, 2002, through April 26, 2004. The Court notes that nearly nine months have passed from his last date of service until he submitted the Application. The Court does note that Applicant did not charge for preparing the Application. No objections have been

filed to the Application. Based upon the Court's independent review of the file, the detail provided, the nature and extent of the services rendered, and even with the lack of any objections, the Court finds, after completing its independent review, that some of the services rendered and costs incurred by R. Clifton Caughron and his firm are not reasonable and necessary.

The Court identifies several problematic entries:

Fees:

6/5/2003	Sandy Dickey	.75	@	75	\$56.25
Prep. witness and exhibit list, and filed with court; prepared seconded amended plan and filed with court. Discussed issues with attorney.					
6/5/2003	Sandy Dickey	.33	@.	75	25.00
Prep. witness and exhibit list; recalculated plan and figures.					
6/6/2003	Trustee objects to mathematical calculation, and to other issues. Objection to 2 nd am. plan. filed on June 5, 2003 (but am. plan is really the 3 rd). The am. plan filed on May 15, 2003, was merely designated an am. plan, but the 1 st am. plan was filed on April 14, 2003.				
6/13/2003	Sandy Dickey	.42	@	75	31.25
Prepared motion and order to amend Sch. J and summary; prepared third amended Ch. 13 plan; discussed issues with attorney.					
6/13/2003	Clif Caughron	.68	@	150	101.96
Drafting Am. Sched. J and Am. Plan. Calls to client and David re negotiations with Bank One and finalizing Plan					

6/13/2003	Laura Simonson	.42	@	120	50.00
Edits to finalize 3 rd Am. Ch. 13 Plan, and motion to amend Sch. J and summary. E-filed 3 rd Am. Ch. 13 Plan, and motion to amend Sch J and summary, . . . and a proposed order.					
6/17/2003	Trustee files objection to 3 rd (really 4 th) again objecting to mathematical calculation and other issues.				
6/18/2003	Sandy Dickey	.53	@	75	40.00
Review of file; pull claims register and docket; review of trustee's objection; prepare amended plan and response.					
6/20/2003	Clif Caughron	2.64	@	150	395.29
Revising Amended Plan					
6/23/2003	Sandy Dickey	.30	@	75	22.50
. . . finalize plan and documents and ecf file with court; mail out to matrix.					
6/26/2003	Trustee consents to 4 th am. plan (really 5 th am. plan).				_____
Total Fees					\$722.25
Costs:					
6/23/2003	postage				\$ 7.67
6/16/2003	postage				<u>5.55</u>
Total Costs					\$13.22

In reviewing the foregoing, the Court concludes from the multiple entries by multiple

persons that the quality control, the drafting and the review process involved in drafting and revising Debtor's chapter 13 plan was inefficient, ineffective and very expensive, given that Applicant is a certified bankruptcy specialist. Applicant required three amended plans merely to correct mathematical calculations disclosed by the trustee and created by Applicant, not Debtor. The entries on June 13, 2003, are very telling. Three different persons billed Debtor for amending Schedule J and amending the Debtor's plan and still mathematical miscalculations occurred. Consequently, the Court concludes that the time entries arising after June 13, 2003, and identified above for June 18, 2003, June 20, 2003, and June 23, 2003, merely represent and constitute services incurred for correcting errors arising from lack of attention to the trustee's objections prior to June 13, 2003, and further concludes that such entries on June 13, 2003, are duplicative. Applicant did not prudently exercise billing judgment; Debtor and Debtor's creditor should not financially suffer as a consequence of such billing practice by a certified bankruptcy specialist. The Court disallows fees in the amount of \$722.25.

The Court further disallows postage cost of \$13.22 on June 16, 2003, and June 23, 2003, for mailing amended plans that did not correct errors obvious by the trustee's objections. The Court allows the postage charge for June 6, 2003, of \$11.40, as one mailing of the amended plan was appropriate.

IT IS ORDERED that, by a separate order, Debtor's Application for Professional Fees and Costs ("Application"), filed January 20, 2005, will be approved in part and denied in part; that R. Clifton Caughron and his law firm will be awarded fees in the amount of \$555.87, and costs in the amount \$8.39, in addition to the \$1,750, previously received for fees and the \$300.00, previously received for costs, which shall be paid as an administrative expense pursuant

to the terms of Debtors' confirmed plan.

BY THE COURT

A handwritten signature in cursive script, reading "Ralph B. Kirscher", is written over a horizontal line.

HON. RALPH B. KIRSCHER
U.S. Bankruptcy Judge
United States Bankruptcy Court
District of Montana